

Iowa Department of Human Services

Offer #401-HHS-001: Supporting Basic Needs of Low-Income Iowans

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| This offer is for: | | This offer includes the following appropriations: |
|---------------------------|------------------------------|--|
| X | Status quo existing activity | Family Investment Program (FIP)/PROMISE JOBS (PJ), State Supplementary Assistance (SSA), General Administration and Field Operations |
| X | Improved existing activity | |

Result(s) Addressed:

- Meet Federal work participation rates for families receiving FIP
- Reduce State costs for Medicaid through the State Supplementary Assistance (SSA) program
- Increase the number of persons receiving Food Assistance
- Reduce the Food Assistance error rate

Program Description:

This offer includes programs that individually, in various combinations, and collectively, help low-income Iowans meet basic needs, improve nutrition levels, and achieve greater economic self-sufficiency while maintaining their independence and dignity. These programs serve some of the State's most vulnerable populations, including children, the aged, and persons with disabilities. Unless otherwise noted, all programs are available statewide.

Family Investment Program (FIP)

Promoting Independence and Self-Sufficiency through Employment, Job Opportunities and Basic Skills (PROMISE JOBS)

Family Development and Self-Sufficiency (FaDSS)[Operated by Department of Human Rights (DHR)]

Family Self-Sufficiency Grants (FSSG)

State Supplementary Assistance (SSA) programs

Food Assistance

Food Assistance Employment and Training (FA E&T)

Supplemental Food programs

Earned Income Tax Credit (EITC) Outreach and Support

State Family Planning

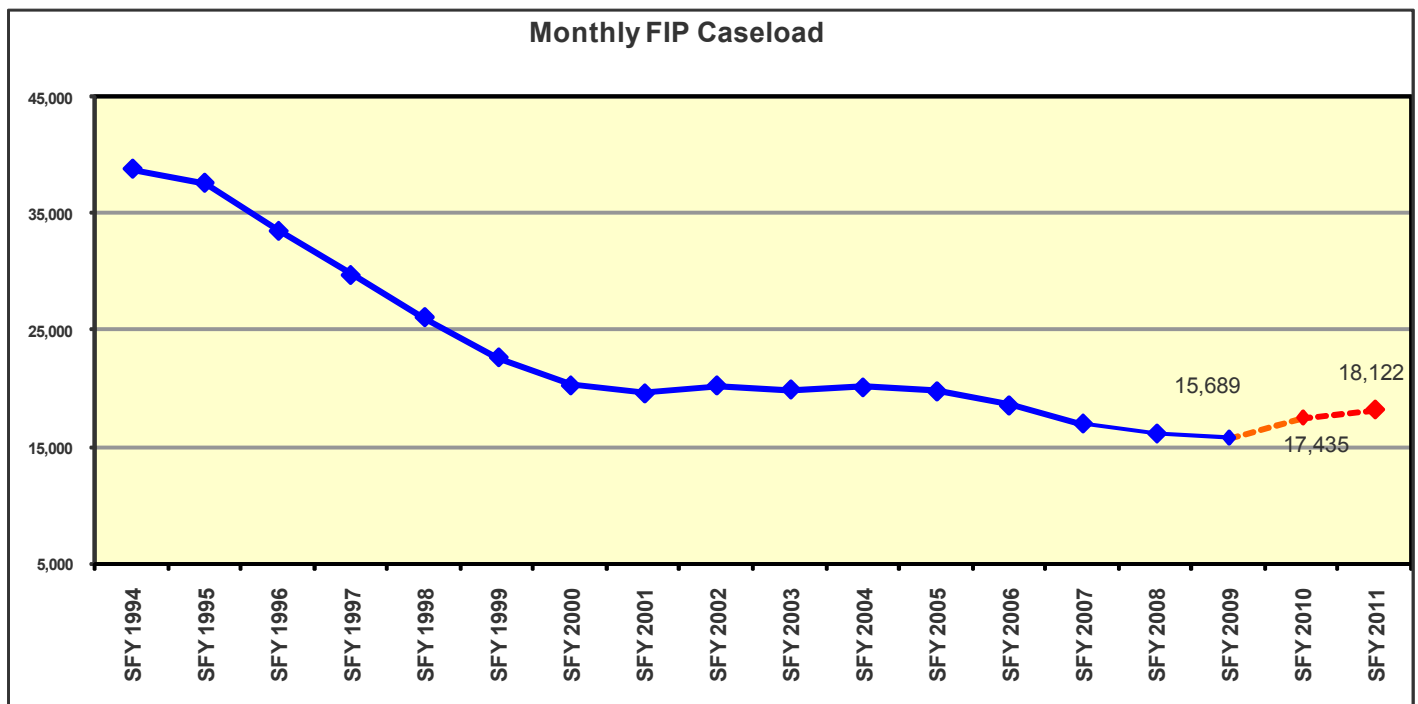
This offer also supports the statewide Income Maintenance Customer Service Center (IMCSC) located in Council Bluffs. The IMCSC is a customer service call center for recipients to report changes in their circumstances regarding programs collectively categorized as “Income Maintenance”, which include FIP, Food Assistance, and Medicaid. In addition, the IMCSC operates the Anti-Welfare Abuse Recognition Effort (AWARE) Fraud Hotline 800 # and assists recipients with expedited Medical and Electronic Benefits Transfer (EBT) card replacements. In October of 2009 when Iowa becomes active in interstate data matches, the IMCSC will receive eligibility inquiry calls from all 50 states. The IMCSC offers extended hours from 7:00 a.m.-6:00 p.m. and has bilingual staff. The IMCSC projects handling 20,000 to 25,000 calls per month from recipients reporting a change in their circumstances.

Who:

Income Supports

Family Investment Program (FIP): FIP serves low-income families with children. This includes single-parent families, two-parent families, and children living with caretaker relatives such as grandparents. After years of steadily declining FIP caseloads, this trend reversed and the FIP caseload increased by nearly 1,100 between July 2008 and June 2009. The FIP caseload is projected to continue to increase during SFY 2010 before stabilizing and starting to decrease again in SFY 2011.

- In SFY 2009, a monthly average of 15,689 families received an average monthly FIP grant of \$318.87.
- Of these, approximately 75% were single-parent families, 6% were two-parent families, and the remaining 19% were children living with relatives.
- The typical FIP family consists of a single, Caucasian female, aged 20-29, having a high school education or equivalent, with two children.
- The average time a family spends on FIP is 20.37 months as of July 2009.



State Supplementary Assistance (SSA): SSA programs assist individuals who are aged, blind or disabled and who either receive Supplemental Security income (SSI) or would otherwise qualify for SSI except for income/wages.

In SFY 2009, an average of 16,840 individuals per month received SSA benefits. SSA programs serve the following populations:

- The blind (Blind Allowance).
- Aged, blind, or disabled persons who have a special financial need because they have a dependent relative living with them and whose income is too low to meet the needs of the dependent (Dependent Person Allowance).
- Adult clients who are unable or unwilling to adequately maintain themselves in an independent living arrangement, but are physically capable of caring for themselves (Family Life Homes (FLH)).
- Persons with physical or mental problems that keep them from independent self-care, but who are able to stay in their own homes with some assistance or personal services (In-Home Health Related Care (IHHRC)).
- Persons who received assistance under state programs for the elderly and disabled prior to the implementation of SSI and whose needs can't be met by SSI (Mandatory State Supplementation).
- Persons who live in a licensed Residential Care Facility (RCF) that participates in the SSA program. RCFs provide for 24 consecutive hours accommodation, board, personal assistance, and other essential living activities to at least three individuals. These persons are unable to properly care for themselves because of illness, disease, or physical infirmity, but they do not require the services of a registered or licensed nurse except on an emergency basis.
- Medicaid recipients, who are also eligible for Medicare Part B, have income at or above 120% of the Federal poverty level, and who do not qualify for other cash assistance benefits, including any other SSA program (Supplement for Medicare and Medicaid Eligibles).

Work and Training Supports

PROMISE JOBS, FaDSS and FSSG: These programs provide supportive services to FIP families. Families applying for or receiving FIP are required to work towards self-sufficiency through the PROMISE JOBS program. With a few exceptions, all FIP recipients must participate in PROMISE JOBS.

- A monthly average of 12,195 individuals participated in PROMISE JOBS in SFY 2009 through April.
- FIP families having severe or multiple barriers to achieving self-sufficiency are referred to FaDSS. A monthly average of 1,509 FIP families received FaDSS services in SFY 2009.
- PROMISE JOBS participants experiencing a specific employment-related barrier can receive assistance through FSSG if the payment will allow the participant to retain employment or to obtain employment within two months. A total of 2,877 FIP families received FSSG in SFY 2009 at an average cost of \$562.

Food Assistance Employment and Training (E & T): This program serves non-FIP Food Assistance recipients. During SFY 2009, approximately 500 persons living in Polk and Scott Counties were referred for E & T services. During SFY 2010, Department of Human Services (DHS) plans to expand E & T services to additional counties and will serve only Food Assistance recipients who volunteer for the program. Any Food Assistance recipient, other than those who receive FIP will be allowed to participate in any service offered through the E & T program.

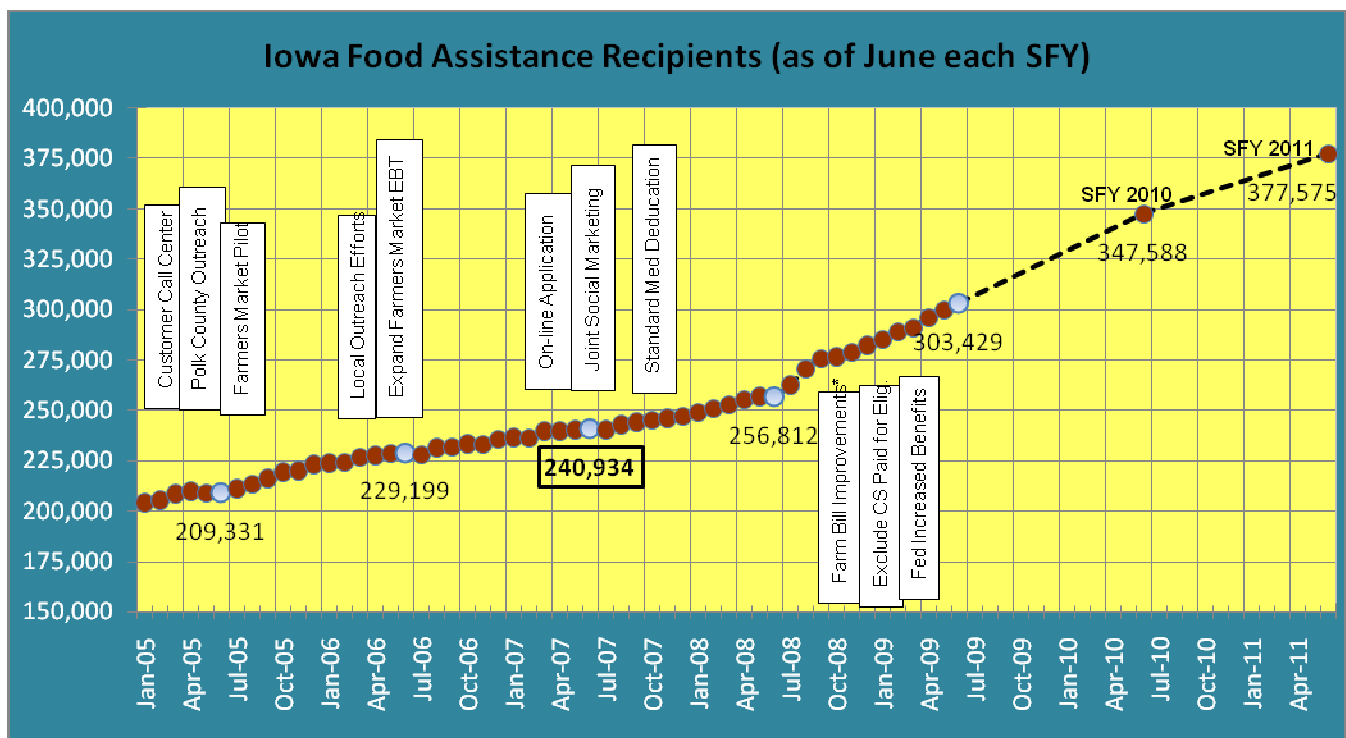
Nutritional Supports

Food Assistance (FA): Food Assistance serves low-income individuals and families. This includes families receiving FIP and individuals receiving SSA (excluding RCF), as well as all other Iowans who meet eligibility criteria.

- There were 303,429 people receiving Food Assistance in June 2009 compared to 256,812 in June 2008, an increase of 46,617 or 18.2%.
- The average monthly benefit per household was \$243 in SFY 2009.
- The United States Department of Agriculture (USDA) estimates that \$5 in food assistance generates \$9.20 in local and state economic activity. About \$380.6 million in Federal food assistance funds were brought into the Iowa economy in SFY 2009, a 31.5% increase from SFY 2008. These funds generated an estimated \$700.3 million in economic activity.

DHS has implemented various initiatives that have significantly improved access to and participation in the Food Assistance program. Initiatives implemented since January 2005 and their impact are illustrated by the chart below. Recent policy changes include:

- Oct 2008: Federal Farm Bill Improvements:
 - Excluding retirement and education accounts as resources
 - Removing the cap on the dependent care deduction
 - Annual inflation adjustments to the standard deduction
 - \$10 minimum benefit for 1-2 person households increased with future annual adjustments
- Feb 2009: Exclude child support paid from the gross income test
- April 2009: Federal American Recovery and Reinvestment Act
 - 13.6% benefit increase
 - Suspended the three-month benefit limit for able-bodied adults who don't have dependents



Commodity Supplemental Foods Program (CSFP): This program serves low-income working families and the elderly. Approximately 3,337 Iowans are served per month, or 40,000 annually, 95% of who are elderly. 1.1 million pounds of commodities were distributed to these families in SFY 2009.

The Emergency Food Assistance Program (TEFAP): This program distributes food to low-income Iowans through food banks statewide. Emergency food was distributed to nearly 300,000 individuals per month, equaling over 2.7 million individuals in SFY 2009. 5.4 million pounds of commodities were distributed through this program in SFY 2009.

What:

Income Supports

Family Investment Program (FIP): FIP provides a monthly cash grant to low-income families with children to help meet basic needs such as shelter, utilities and clothing.

State Supplementary Assistance (SSA): SSA programs provide cash payments to supplement the income of Iowans who are aged, blind or disabled.

- Most SSA benefits are paid monthly and must meet a minimum payment level determined by the Federal government. States can pay more than the Federal minimum, but cannot pay less. Iowa pays the Federal minimum for all SSA programs except IHHRC, which is slightly above the current Federal minimum. Payments are made directly to the SSA recipient or to their designated payee.
- Iowans receiving IHHRC, RCF or FLH assistance are required to help pay for the cost of their care based on their financial ability to do so; the State pays the difference between the actual cost of care and the client payment amount.

Work and Training Supports

PROMISE JOBS, FaDSS and FSSG:

- The PROMISE JOBS program provides training, education and employment services to FIP families to help them become self-sufficient and avoid long-term dependence on public assistance. Activities include: assessments, job-seeking skills training, job search activities, basic education services, work experience placement, monitored employment, unpaid community service, parenting skills training, workplace essentials training, and vocational post secondary classroom training. PROMISE JOBS pays allowances for specified costs, such as transportation and child care, related to participating in these activities.
- The FaDSS program provides intensive case management services to help FIP families address multiple or overwhelming barriers to achieving self-sufficiency.
- The FSSG program pays for goods or services to address a specific short-term employment-related barrier allowing a FIP family to obtain or retain employment within two months of receiving the FSSG assistance.

Food Assistance Employment and Training (E & T): The FA E & T program offers: job-seeking skills training in a classroom setting; a structured employment search; and educational services, including general education development, adult basic education, English as a second language, vocational training and higher education opportunities. Opportunities for education and training will be expanded in SFY 2010 to include tuition reimbursement, books fees and other class requirements, along with 90 days post-employment job retention services.

Nutritional Supports

Food Assistance (FA): The Food Assistance Program (Iowa's Supplemental Nutrition Assistance Program) helps low-income individuals and families avoid hunger and malnutrition by providing for the purchase of food, non-alcoholic beverages and ingredients to prepare food using an EBT swipe card. Although the benefits under this program are 100% Federally funded, the State shares in the costs for administration. The program also provides nutritional education services.

The 2008 Federal Farm Bill reauthorized the Food Stamp Program and renamed it the Supplemental Nutrition Assistance Program. Iowa continues to call its program Food Assistance, as the USDA allows states to use names they adopted. Provisions of the Farm Bill resulted in a significant increase in benefit levels and contributed slightly to an increase in the number of households that qualify for the program. There is no additional cost to the State related to the changes in benefit levels since benefits are 100% Federally funded.

Commodity Supplemental Foods Program (CSFP) and The Emergency Food Assistance Program (TEFAP): These Supplemental Food programs help low-income individuals and families avoid hunger and malnutrition by providing food, primarily in the form of commodities donated by the U.S. Department of Agriculture.

How:

Service Delivery

The magnitude and duration of the current economic recession has had a profound impact on the demand for services under this offer.

- Participation in Food Assistance is at an all-time state high and expected to continue to increase throughout SFY 2010 and 2011, with over 303,000 Iowans participating at the end of SFY 2009 and over 377,000 projected to be participating by the end of SFY 2011.
- As previously noted, the FIP caseload has also been experiencing an increase after years of steadily decreasing.
- The combined effect of this increased use of DHS programs has increased the average caseload for an Income Maintenance Worker (IMW) from 467 in June of 2008 to 540 in June of 2009, an increase of over 15%. Based on the current number of IMWs and projected caseloads, the average caseload would increase to 594 by June 2011.

Due to the wide variety of services provided by this offer and the large number of Iowans receiving these services, the delivery of these services requires the coordinated efforts of not only a substantial number of Department field and central office staff, but also staff from other state agencies as well as a number of contractors and subcontractors. Subsequent descriptions of individual programs provide details on how specific services are provided and by whom.

The Department is continuing its efforts to improve customer service and accuracy of benefit determination while being more efficient through the use of technology. The Department has implemented a number of initiatives in the past 2 years to improve efficiencies and better enable staff to handle increased caseloads. These efforts have included:

- The On-line Application for State of Iowa Services (OASIS) was released in June 2009, allowing customers to apply for one or more programs including FIP, Food Assistance, Medicaid and Child Care via the Internet. Prior to the release of OASIS, customers could apply online only for Food Assistance
- Centralizing certain functions

- Eliminating non-essential procedural steps

As described above, the Department is continuing its efforts to further improve efficiencies; however, there is a practical limit to which such efforts can offset growing caseloads. Excessive caseloads have negative consequences for staff, customers and the state as a whole. Higher caseloads lead to longer processing time of applications and renewals and acting on changes resulting in delays in receiving benefits. As workers have less time to spend on a case, there is an ever increasing potential for errors which can lead to fiscal penalties for the state, the need for recoupment from customers, and even more worker time. The State's increased Food Assistance error rate highlights this risk.

In an effort to avoid a second consecutive year of a Food Assistance error rate exceeding the national rate and subsequent potential penalty, the Department is taking a number of steps to reduce errors for FFY 2009. These include:

- Simplifying Food Assistance policies and aligning policies with other DHS programs to the extent possible
- Standardizing and improving business processes with an emphasis on using technology to create efficiencies
- Implementation of the Income Maintenance Customer Service Center (IMCSC) statewide to process changes
- Creation of an error analysis committee

Unfortunately, these efforts have not yet been able to fully counter the impact that the increased caseload has had on the error rate and the state is at significant risk of exceeding the national average and tolerance level for a second consecutive year. Preliminary FFY 2009 error amounts indicate a potential \$1 million penalty.

FIP, Food Assistance and SSA:

Local DHS staff (402.25 FTEs) throughout the State determine initial and ongoing eligibility for FIP, SSA, and Food Assistance. The Income Maintenance Customer Service Center (IMCSC) provides improved customer service to recipients reporting a change in their circumstances for the FIP, SSA, Food Assistance, and Medical Assistance programs through extended hours and bilingual assistance. In FY 2009 the IMCSC (62 FTEs) replaced the Food Assistance Customer Call Center (5 FTEs). Fully implemented in SFY 2009, the IMCSC is expected to handle approximately 20,000 to 25,000 reported changes, hotline fraud reports, inquires and card orders per month.

Work and Training Supports

PROMISE JOBS and FSSG:

- PROMISE JOBS services are currently provided under a contract with the Iowa Department of Workforce Development (IWD) or, for refugees who have not attained U.S. citizenship, through the DHS Bureau of Refugee Services (BRS). PROMISE JOBS services are provided either directly by IWD or BRS staff, or through the use of subcontractors to these entities.
- Based on an assessment of goals and needs, FIP families work with PROMISE JOBS to develop a Family Investment Agreement (FIA) that lists what steps the family will take toward self-sufficiency; any barriers to these steps and how the barriers will be addressed; appropriate referrals; and what supportive services PROMISE JOBS will provide.
- PROMISE JOBS monitors participation in these activities, modifies the FIA as needed, and pays allowances for specified costs, such as transportation and approvable child care, related to participating in these activities.

- FSSG is administered through the PROMISE JOBS program. PROMISE JOBS service delivery regions develop local plans specifying policies and procedures in compliance with administrative rules for FSSG
- This Offer funds 7.27 BRS positions, 83.86 FTEs at IWD and 87.9 contract FTEs to provide PROMISE JOBS services.

FaDSS:

- FaDSS services are provided by local community agencies under contracts with the Iowa Department of Human Rights (DHR). Starting in SFY 2008, funding for FaDSS is allocated directly to DHR.
- FaDSS is a component of PROMISE JOBS, with participation voluntary. Working with both PROMISE JOBS and the family, FaDSS provides ongoing assessment and goal setting and addresses safety, basic needs, shelter, health, and family functioning.
- This Offer funds 2.5 positions at DHR and 107.69 contract positions at community agencies to administer and provide FaDSS services.

FA (E & T):

Food Assistance E & T services are provided through a contract with the Iowa Department of Workforce Development (IWD). Program participants are automatically referred to IWD. IWD issues allowances to program participants for transportation and other necessary expenses.

Nutritional Supports

Food Assistance (FA):

- All FA households receive benefits through EBT. The EBT card can be used at any business authorized by the Food and Nutrition Service (FNS) to accept “EBT”, including business both in Iowa and in other states.
- Iowa is a national leader in providing EBT wireless Point of Sale (POS) devices at farmers’ markets, serving 160 farmers in 118 markets in 2009.

Commodity Supplemental Foods Program (CSFP) and The Emergency Food Assistance Program (TEFAP): Supplemental food programs provide food primarily in the form of commodities for low-income working families and the elderly through food banks, soup kitchens, senior congregate meal sites, home delivered meals, and State institutions. DHS has been designated as the State distribution agency to receive, store, distribute, and account for USDA donated foods. Community agencies acting as local distribution points must enter into a written distribution agreement with DHS.

Service Support

In addition to resources providing direct service delivery, the programs in this offer require the following support services:

- Corporate oversight.
- Policy development and implementation ensuring compliance with Federal and State requirements, including administrative rules.
- Management information systems providing automated eligibility and benefit determination, benefit issuance, and information storage, tracking and reporting, as well as technical support for computer equipment.
- Budget development and financial management, including but not limited to meeting Generally Accepted Accounting Principles regarding the receipt, payment and monitoring of Federal and State funds, as well as any additional State or Federal reporting requirements regarding such funds.

- Training and technical assistance related to policies, procedures and management information systems.
- Contract management.
- Compliance with Accountable Government Act provisions.
- Quality control and quality assurance.
- Human resources/personnel.
- Forms development and maintenance.
- Processing of appeals and exceptions to policy.
- Legislative, media and public information requests.
- Other corporate management and leadership functions.
- Contracted services through the Iowa Department of Inspections and Appeals (DIA) to conduct hearings, eligibility investigations and recovery of overpayments.
- Contracted legal services through the Iowa Attorney General's Office.

This offer funds a total of 588.49 Department positions (combined field and central office) for the administration and delivery of services described.

American Recovery and Reinvestment Act Impact

The American Recovery and Reinvestment Act of 2009 (ARRA) was implemented to help address the current national economic recession. Certain provisions of this Act have had either a direct or indirect impact on programs included in this offer.

Food Assistance Benefits: One key provision of the ARRA increased the minimum benefit under the Federal Supplemental Nutrition Assistance program (Food Assistance in Iowa) by 13.6%. This increase:

- Has the effect of increasing benefits for all households by at least 13.6% and in cases where the household is employed, even more.
- Provides much needed relief to households struggling to make ends meet while simultaneously increasing their purchasing power to further stimulate the State economy.
- Is estimated to increase overall benefits, which are 100% federally funded, by more than \$77 million in SFY 2010.

Food Assistance Administrative Funds: The ARRA also provides the Department with additional administrative funds for its Food Assistance program for FFY 2009 and FFY 2010 (\$1,300,000 each year). This special funding is intended to help states implement the benefit increases and meet costs of administering the program during a period when caseloads are rising rapidly.

- The Department is using some of the funds to make required system changes and notification to households.
- The majority of the funds are being used to cover staffing costs to allow the Department to avoid layoffs during this time of increasing caseloads.
- This special funding will not be available in FFY 2011.

The Emergency Food Assistance Program (TEFAP): The ARRA also provides the Department with additional funds for TEFAP for FFY 2009 and FFY 2010.

- Funds to purchase additional food were provided for FFY 2009 in the amount of \$793,837.
- Additional administrative funds of \$198,957 were provided for FFY 2009 and a similar amount is expected in FFY 2010.

- DHS is using the administrative funds to pay the Food Banks for the increase in transportation, delivery and storage of the additional food purchased.

Temporary Assistance for Needy Families (TANF): Another provision of the ARRA established a TANF emergency fund. States may qualify for these funds if any of the following categories experience an increase in a quarter in FFY 2009 or FFY 2010 compared to the base year of FFY 2007 or FFY 2008.

1. caseloads and corresponding costs;
2. costs for short-term benefits; and
3. costs for subsidized employment activities.

The Department estimates that the increase in FIP caseloads and costs (category 1 above) will qualify the State for additional TANF emergency funds of approximately:

- \$6.6 million for SFY 2010
- \$3 million for SFY 2011

Additional funds are not available after September 2010. The State does not currently qualify for TANF emergency funds under categories 2 and 3.

TANF emergency funds under the ARRA play a critical role in this offer.

- The State's annual TANF award is only slightly more than \$131 million.
- The amount of TANF funds appropriated for the past several years has been over \$141 million, exceeding the State's annual TANF award by more than \$10 million. This was possible due to surplus TANF funds from prior years' awards.
- Without the TANF emergency funds anticipated to be received in SFY 2010, the TANF surplus from past years' TANF awards would be depleted during SFY 2010 and the Department would be facing a potential shortfall in funding for FIP and other TANF-funded programs.
- The ARRA provisions for TANF also help limit the impact that increased caseloads may have on a state's ability to meet TANF work rates.

Child Care: Additional child care funds available through the ARRA also have an impact on this offer.

- Federal TANF funds support a number of offers, including both this offer and the child care offer.
- The availability and use of ARRA child care funds means that less TANF funds are needed for child care and can be used to help meet increased FIP costs.
- Without the ARRA child care funds, additional state funds would be needed for either FIP or child care.

Offer Description:

Today's Activities and Results:

Maintain the following (all figures are SFY 2011 monthly average estimates):

Income Supports

- 18,122 low-income families with children receive a monthly FIP grant of \$334.35 to help meet basic needs.
- 5,039 aged, blind or disabled Iowans receive financial help from the SSA program so they can live more independently; an additional 14,429 receive \$1 per month, allowing the State to receive Federal matching funds to help pay their Medicare Part B premiums.

Work and Training Supports

- An average of 14,426 FIP participants per month receive training, education and employment services from PROMISE JOBS.
- 4,616 receive reimbursement of \$0.30/mile for transportation costs to participate in activities other than work; e.g., education, averaging \$103.36 per month per person; 245 receive other monthly allowances averaging \$195.21 per month per person. Transportation reimbursement is not available for work purposes.
- Approximately 1,509 FIP families having multiple/severe self-sufficiency barriers receive case management services from the FaDSS program.
- 2,877 FIP families receive one-time payments from the FSSG program to meet work-related barriers such as car repairs, at an average cost of \$562.
- FA E&T provides job-seeking skills training and employment assistance to non-FIP Food Assistance recipients.

Nutritional Supports

- Food Assistance helps an estimated monthly average of 171,464 low-income Iowa households (equal to 364,980 individuals) buy food.
- Supplemental Food programs provide food through food banks, soup kitchens and other sites.

Other

- Improve customer service and address the growth of 21,260 income maintenance cases for SFY 2010 by utilizing the Income Maintenance Customer Service Center, a specialized unit handling all recipient reported changes of circumstances for the FIP, Food Assistance, and Medicaid programs.

Improved Results Activities:

Align Mailing of FIP Review Forms With Medicaid Review Forms:

- 2009 Iowa Acts, SF 389, required the Department to extend the period for completing Medicaid review forms by mailing the review form to the household on the first day of the month prior to the month of review rather than mailing the review form near the end of the month prior to the month of review.
- No corresponding change was enacted regarding FIP reviews.
- Nearly all FIP families also receive Medicaid and Food Assistance.
- FIP families today receive one review form for all 3 programs.
- Not aligning FIP review forms with Medicaid will result in confusion, duplication of effort and increased errors by both clients and DHS staff as:
 - Families would have to complete and submit two different review forms received at different times but asking many of the same questions.
 - DHS staff must process both review forms and must act on any changes reported on either form that may affect both programs.
 - Duplication also means additional information technology, printing and mailing costs to issue both forms.
- Information from a small pilot conducted by DHS implies that giving families more time to complete and submit their review form by issuing the forms earlier in the month results in fewer families being canceled.
- Currently, over 1/3 of those canceled from FIP for failure to return a completed review form reapply and are found eligible within the next 6 months, most within the next 2 months.

- While off FIP, these families typically turn to other community resources such as food banks or pantries, county general relief programs and other local services.
- Aligning the mailing of FIP reviews with Medicaid reviews helps reduce this churning between DHS and other services.

DHS estimates that this change will increase the FIP caseload by about 1,500 cases over a 12 month period, with an estimated additional cost in FIP benefits of \$1,993,568.

Offer Justification:

Legal Requirements:

Federal:

- Under the Temporary Assistance for Needy Families (TANF) block grant, states must meet maintenance of effort (MOE) requirements by spending state funds for specified purposes (45 CFR 263 subpart A). Iowa's MOE requirement is \$65,845,626.
 - Eligible expenditures are currently limited to FIP, PROMISE JOBS, FaDSS, certain childcare assistance, certain administrative costs, and the refundable Iowa earned income tax credit.
 - Failure results in a reduction of the State's TANF grant equal to any shortfall.
- States must meet TANF work participation requirements (45 CFR Part 261).
 - PROMISE JOBS helps meet this requirement.
 - Failure can reduce the State's TANF grant; over \$4.5 million for failing the all-family rate (Iowa is expected to meet all years) and less than \$400,000 for failing only the 2-parent rate (Iowa met in FFY 2007, is expected to meet in FFY 2008, and it is unknown for FFY 2009 although there has not yet been any official notification of failure for any year).
- SSA benefits are a MOE requirement for the Medicaid program (20 CFR 416.2095 and 416.2096).
 - States failing this requirement cannot participate in the Medicaid program.
 - States must meet minimum Federal payment levels.
- The State has a long-standing agreement with the U.S. Department of Agriculture (USDA) under 7 CFR 272.2 for DHS to operate the Food Assistance program. The Food, Conservation and Energy Act of 2008 reauthorized the program at the national level. The State must also have an Employment and Training program (Section 6 of the Food and Nutrition Act of 2008 as amended by P.L. 110-246).

State:

- Iowa Code chapter 239B requires FIP and PROMISE JOBS services, subject to available funding.

Rationale:

Increased Access to Health Care

- Individuals and families applying for FIP or Food Assistance are assessed for and provided information about Medicaid and the Healthy and Well Kids in Iowa (*hawk-i*) program.
 - Nearly 100% of FIP recipients are eligible for Medicaid.
 - Families not eligible for FIP may be eligible for Medicaid or *hawk-i*.
 - Medicaid and *hawk-i* provide quality health care including: preventative care, primary care, chronic/long-term care, and acute/emergency care, behavioral/development care, dental care and continuity of care.
- All SSA recipients receive Medicaid as a result of eligibility for SSA.

- PROMISE JOBS, FaDSS and FSSG help FIP families obtain, retain or advance in employment, increasing access to employment-based health insurance.
- E & T helps Food Assistance recipients not eligible for FIP obtain employment, increasing access to employment-based health insurance.
- Process improvements increase access to all DHS programs either directly (Medicaid) or indirectly (employment assistance) increasing access to health care.

Improved Quality of Life

- FIP, PROMISE JOBS and FaDSS provide a minimum level of stability and security, enabling FIP families to improve their health outcomes.
- FIP provides a minimal and relatively stable and reliable source of income for families with children to meet basic needs while becoming self-supporting.
- PROMISE JOBS and FaDSS help stabilize families by:
 - Helping families develop a Family Investment Agreement (FIA) detailing steps, time frames and supportive services needed to achieve greater self-sufficiency,
 - Discerning and addressing barriers related to health, child well being, relationships, and education needs,
 - Providing supports such as workplace essentials classes,
 - Reconnecting the family to their community,
 - Addressing barriers through referrals to substance abuse and mental health treatment,
 - Identifying individuals who have been or are at risk of being victims of domestic violence and making referrals to appropriate community resources.
- SSA programs provide financial assistance to meet special needs of persons who are aged, blind, or disabled, not met by the SSI benefit.
 - SSA emphasizes community-based services enabling recipients to remain in less costly and less restrictive non-institutional living arrangements.
- Food Assistance programs raise nutritional levels and allow income to be spent on other necessities to provide a safe and healthy living environment.

Mitigate Against Outside Risk Factors

- Food Assistance and Supplemental Food programs prevent hunger and improve nutrition by providing access to safe and adequate food.
- FIP and SSA provide cash assistance enabling participants to secure safe and adequate shelter.

Return on Investment

- SSA programs allow Iowans to avoid costly nursing home care, reducing State costs for Medicaid.
- The Supplement for Medicare and Medicaid Eligibles is expected to reduce State Medicaid costs by over \$11.4 million in SFY 2011.
- Process improvements increase accuracy and reduce errors that could result in penalties.

Results:

| Result: | SFY 2009 Actual Level | SFY 2010 Budgeted Level | SFY 2011 Offer Level |
|---|--|--|--|
| Meet TANF work participation rates ¹ Estimated targets for FFY 09 <ul style="list-style-type: none"> • All cases = 31.58% • 2-parent cases = 48.13% NOTE: this is the target with caseload reduction only – does not include excess MOE credit. | All case rate for FFY 2009 thru April = 37.63% 2-parent rate for FFY 2009 thru April = 31.48% | All case rate = 42% 2-parent rate = 42% | All case rate = 52% 2-parent rate = 52% |
| Reduced State costs for Medicaid resulting from the SSA Supplemental for Medicare and Medicaid Eligibles ² | (\$9,070,822) | (\$11,035,226) | (\$11,455,327) |
| Number of persons receiving Food Assistance at the end of the State fiscal year (June) | 303,429 | 347,588 | 377,575 |
| Reduce Food Assistance error rate. | State Reported error rate for FFY 2009 thru March 2009 = 7.47%. | 4% | 4% |

¹ Work rates are based on a Federal rather than state fiscal year.

- All rates shown are estimates, including FFY 2009.
- The base work rates are 50% for all cases and 90% for 2-parent cases.
- The target rates shown are the “adjusted” rates the State must meet after allowing for caseload reduction credits – a reduction in work rate goals to the same extent cash assistance caseloads have decreased compared to a base year.
- As FIP caseloads decrease, the caseload reduction credit increases, resulting in lower adjusted work rates. Conversely, as caseloads increase, the credit would normally decrease resulting in higher adjusted work rates. However as mentioned earlier, ARRA helps limit the impact of increased caseloads on the work rate.
- SFY 2009 represents the Department’s calculation of work rates through April 2009; actual work rates are determined by the U.S. Department of Health and Human Services and will not be reported to the State until sometime in 2010.

² Reduced State costs are reflected in the DHS Offer 401-HHS-003, Medical Assistance and Medical Contracts.

Sustaining service delivery assumes the level of funding requested in the offer as well as full funding of salary adjustment. If salary adjustment is not received for SFY 2011, this would be the equivalent of the loss of an estimated 5.30 General Administration FTEs and 23.01 Field FTEs. If funding is insufficient in either area, results to be achieved will be modified to reflect the impact.